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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN
SUPPORT OF DEBTORS' MOTION PURSUANT TO SECTION 363(B) OF THE
BANKRUPTCY CODE FOR AUTHORIZATION TO ENTER INTO AND PERFORM
UNDER A SERVICES AGREEMENT WITH LEHMAN EUROPE**

The Official Committee of Unsecured Creditors (the "Committee") of Lehman Brothers Holdings Inc. and each of its affiliated debtors in possession (collectively, the "Debtors") hereby files this statement (the "Statement") in support of the Debtors' motion [Docket No. 12994], dated November 23, 2010, pursuant to sections 105 and 363 of title 11 of the Unites States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), and rule 6004 of the Federal Rules of Bankruptcy Procedure, seeking authorization to enter into and perform under a services agreement (the "SA"), pursuant to which it will continue to have access to the data system of Lehman Europe (as defined below) to the extent necessary for the

evaluation and unwinding of certain derivative trades originally booked through such system (the “Motion”).¹ In support of the Motion, the Committee respectfully states as follows:

STATEMENT

1. The SA, in the Committee’s view, is a necessary step on the road to information independence for Lehman in Europe. While it would have been preferable for Lehman to have already migrated all information necessary to its derivatives and trading activities to a platform under its exclusive control, completion of the required information transfers has, as of the date hereof and according to the Debtors, simply not been possible. In light of this circumstance, Lehman has done the next best thing – entered into an amended services agreement on terms that are both fair and reasonable and designed to facilitate Lehman’s ultimate separation from Lehman Europe.

2. The SA, for which approval is sought in the Motion, is effectively an extension of a substantially similar court-approved services agreement, the Transition Services Agreement (the “TSA”), that the Debtors entered into with Lehman Brothers Europe Limited, Lehman Brothers International Europe, Lehman Brothers Holdings, Plc, and Lehman Brothers Ltd, (together, “Lehman Europe”) in November 2008. The SA differs from the TSA in only two material aspects, one relating to an increase in service costs, and the other relating to caps on liability.

3. The Committee has discussed the terms of the SA with its advisors and does not believe that either of these modifications render the terms of the SA unreasonable. This is the case because, while the charge for services will increase from cost plus to 15% to cost plus 20% under the SA, the scope and volume of services to be provided will be significantly

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

reduced, leading to a likely decrease in service costs and any related indemnity exposure, and, eventually, a full wind down of the Debtors' relationship with Lehman Europe.

4. The Committee also agrees that continued access to Lehman Europe's information systems is necessary in order for the Debtors to be able to unwind and evaluate their prepetition derivatives trades. If the Debtors were unable to access information regarding their assets booked in Lehman Europe's system, valuation of their derivatives trades could be delayed and, subsequently, a loss of value for their estates and their creditors could result. The Debtors are well on their way to ultimate independence from Lehman Europe, but, until such time as migration of the requisite information to a system under the Debtors' control is complete, the Committee supports relief that would allow the uninterrupted flow of information between the Debtors and Lehman Europe.

5. Thus, the Committee concurs in the Debtors' view that the SA is in the best interests of the Debtors' estates and creditors. Based upon all information available to the Committee, the terms of the SA appear to (i) have been arrived at in good faith after an arms' length negotiation between the Debtors and the administrators of the Lehman Europe estate; and (ii) are the product of a sound exercise of the Debtors' business judgment.

WHEREFORE, the Committee respectfully requests that the Court (i) grant the Motion; and (ii) grant such other relief as is just.

Dated: New York, New York
December 13, 2010

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